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**DEPARTMENT OF HOMELAND SECURITY  
U.S. Customs and Border Protection**

**DEPARTMENT OF THE TREASURY**

**19 CFR Parts 10, 24, 162, 163, and 178**

**USCBP-2013-0040**

**CBP Dec. 14-06**

**RIN 1515-AD93**

**UNITED STATES-PANAMA TRADE PROMOTION AGREEMENT**

**AGENCIES:** U.S. Customs and Border Protection, Department of Homeland Security; Department of the Treasury.

**ACTION:** Final rule.

**SUMMARY:** This document adopts as a final rule interim amendments to the U.S. Customs and Border Protection (CBP) regulations which were published in the **Federal Register** on October 23, 2013, as CBP Dec. 13-17, to implement the preferential tariff treatment and other customs-related provisions of the United States—Panama Trade Promotion Agreement.

**DATE:** Final rule effective [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE **FEDERAL REGISTER**].

**FOR FURTHER INFORMATION CONTACT:**

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Other Operational Aspects: Katrina Chang, Trade Policy and Programs, Office of International Trade, (202) 863-6532.

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## **SUPPLEMENTARY INFORMATION:**

### **Background**

On June 28, 2007, the United States and the Republic of Panama (the “Parties”) signed the United States-Panama Trade Promotion Agreement (“PANTPA” or “Agreement”). On October 21, 2011, the President signed into law the United States-Panama Trade Promotion Agreement Implementation Act (the “Act”), Pub. L. 112-43, 125 Stat. 497 (19 U.S.C. 3805 note), which approved and made statutory changes to implement the PANTPA. On October 29, 2012, the President signed Proclamation 8894 to implement the PANTPA. The Proclamation, which was published in the **Federal Register** on November 5, 2012, (77 FR 66507), modified the Harmonized Tariff Schedule of the United States (“HTSUS”) as set forth in Annexes I and II of Publication 4349 of the U.S. International Trade Commission.

On October 23, 2013, CBP published CBP Dec. 13-17 in the **Federal Register** (78 FR 63052) setting forth interim amendments to implement the preferential tariff treatment and other customs-related provisions of the PANTPA and the Act. The majority of the PANTPA implementing regulations set forth in CBP Dec. 13-17 and adopted as final in this document have been included within Subpart S of Part 10 of the CBP regulations (19 CFR Part 10). However, in those cases in which PANTPA implementation is more appropriate in the context of an existing regulatory provision, the PANTPA regulatory text has been incorporated into an existing Part within the CBP regulations. CBP Dec. 13-17 also sets forth a number of cross-references and other consequential changes to existing regulatory

provisions to clarify the relationship between those existing provisions and the new PANTPA implementing regulations. Please refer to that document for further background information.

Although the interim regulatory amendments were promulgated without prior public notice and comment procedures and took effect on October 23, 2013, CBP Dec. 13-17 provided for the submission of public comments which would be considered before adoption of the interim regulations as a final rule. The prescribed public comment closed on December 23, 2013. CBP received one comment on CBP Dec. 13-17.

### **Discussion of Comments**

One response was received to the solicitation of comments on the interim rule set forth in CBP Dec. 13-17. The comment is discussed below.

#### Comment

One commenter disagreed with the establishment of the PANTPA and suggested that the trade agreement would cause domestic economic issues and could cause social problems as well.

#### CBP Response

The PANTPA Implementation Act was enacted by Congress. The commenter's concerns regarding the economic and social impact of the PANTPA are, accordingly, beyond the scope of this rulemaking which deals with implementing the preferential tariff treatment and other customs-related provisions of the Act. Accordingly, it would be inappropriate for CBP to address the comment.

### **Conclusion**

After further review of the matter, and in light of the one comment, CBP has determined to adopt as final, with no changes, the interim rule published in the **Federal Register** (78 FR 63052) on October 23, 2013.

### **Executive Order 12866**

This document is not a regulation subject to the provisions of Executive Order 12866 of September 30, 1993 (58 FR 51735, October 1993), because it pertains to a foreign affairs function of the United States and implements an international agreement, as described above, and therefore is specifically exempted by section 3(d)(2) of Executive Order 12866.

### **Regulatory Flexibility Act**

CBP Dec. 13-17 was issued as an interim rule rather than a notice of proposed rulemaking because CBP had determined that the interim regulations involve a foreign affairs function of the United States pursuant to § 553(a)(1) of the Administrative Procedure Act (APA). Because no notice of proposed rulemaking was required, the provisions of the Regulatory Flexibility Act, as amended (5 U.S.C. 601 et seq.), do not apply. Accordingly, this final rule is not subject to the regulatory analysis requirements or other requirements of 5 U.S.C. 603 and 604.

### **Paperwork Reduction Act**

The collections of information contained in these regulations have previously been reviewed and approved by the Office of Management and Budget (OMB) in accordance with the requirements of the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1651-0117, which covers many of the free trade agreement requirements that CBP

administers, and 1651-0076, which covers general recordkeeping requirements. The collections of information in these regulations are in §§ 10.2003, 10.2004, and 10.2007 of title 19 of the Code of Federal Regulations (19 CFR §§ 10.2003, 10.2004, and 10.2007). This information is required in connection with general recordkeeping requirements (§ 10.2007), as well as claims for preferential tariff treatment under the PANTPA and the Act and will be used by CBP to determine eligibility for tariff preference under the PANTPA and the Act. The likely respondents are business organizations including importers, exporters and manufacturers.

The estimated average annual burden associated with the collection of information in this final rule is 500 hours. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Management and Budget, Attention: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, D.C. 20503. A copy should also be sent to the Trade and Commercial Regulations Branch, Regulations and Rulings, Office of International Trade, U.S. Customs and Border Protection, 90 K Street, N.E., 10th Floor, Washington, D.C. 20229-1177. Under the Paperwork Reduction Act, an agency may not conduct or sponsor and a person is not required to respond to a collection of information, unless it displays a valid OMB control number.

### **Signing Authority**

This document is being issued in accordance with § 0.1(a)(1) of the CBP regulations (19 CFR 0.1(a)(1)) pertaining to the authority of the Secretary of the Treasury (or his/her delegate) to approve regulations related to certain CBP revenue functions.

## **List of Subjects**

### 19 CFR Part 10

Alterations, Bonds, Customs duties and inspection, Exports, Imports, Preference programs, Repairs, Reporting and recordkeeping requirements, Trade agreements.

### 19 CFR Part 24

Accounting, Customs duties and inspection, Financial and accounting procedures, Reporting and recordkeeping requirements, Trade agreements, User fees.

### 19 CFR Part 162

Administrative practice and procedure, Customs duties and inspection, Penalties, Trade agreements.

### 19 CFR Part 163

Administrative practice and procedure, Customs duties and inspection, Exports, Imports, Reporting and recordkeeping requirements, Trade agreements.

### 19 CFR Part 178

Administrative practice and procedure, Exports, Imports, Reporting and recordkeeping requirements.

## **AMENDMENTS TO THE CBP REGULATIONS**

Accordingly, the interim rule amending Parts 10, 24, 162, 163, and 178 of the CBP regulations (19 CFR Parts 10, 24, 162, 163, and 178), which was published at 78 FR 63052 on October 23, 2013, is adopted as a final rule.

R. Gil Kerlikowske  
Commissioner

Approved: May 14, 2014

Timothy E. Skud

Deputy Assistant Secretary of the Treasury

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